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Microsoft

NB Liquor beers get last call

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A3 By ADAM HURAS The Daily Gleaner

NB Liquor is canning its government-brand beer, saying sales of the suds have fallen flat.

ENLARGE PHOTO

Canadaeast News Service/Cindy Wilson

A can of NB Liquor's Selection Lager is seen in this file photo. NB Liquor announced Thursday it has discontinued Selection Lager and Selection Light.

Production of Selection Lager and Selection Light has been halted, with sales of the products ending as soon as liquor store stockpiles dry up, said NB Liquor communications manager Nora Lacey.

New Brunswick was the only liquor jurisdiction in Canada that had a private-label beer.

The beer was brewed for the New Brunswick Liquor Corp., a Crown corporation, by Saint John-based Moosehead Breweries.

"It's safe to say that we have probably seen the last its production phase," Lacey said.

There are no plans for a new product to keep government in the beer-making business.

Sales of the two government-brewed-and-marketed beers introduced under the former Liberal government dropped significantly since it was launched in March 2009.

Lacey said NB Liquor has completed a review of its beer category, calling it a "beer skew rationalization project."

There are 309 beer skews - combinations of beer and packaging configurations - in New Brunswick liquor stores. The review recommended that NB Liquor delist 26 skews, based on new performance measurements for domestic beer.

The sales measurement recommends that 100,000 litres for multipacks and 35,000 litres for single-serve beers should be sold for the beer packaging configuration to remain in stores.

Selection Lager and Selection Beer exceeded market share targets for roughly their first 18 months of production but have fallen below the mark since.

"What that means is that some of the skews had some performance issues with respect to meeting the performance measurements which is litres sold," Lacey said.

"So in efforts to make room in our cold rooms for innovation and new produces and to provide New Brunswickers with the types and flavours and package sizes they prefer, we are now planning exit strategies for these 26 skews."

In the products' first full year on store shelves, consumers purchased about 95,000 12-packs of Selection Lager and about 74,000 cases of Selection Light.

Last year, NB Liquor customers purchased just more than 28,000 dozen cases of Selection Lager and about 15,000 12-packs of Selection Light.

Lacey couldn't confirm the 24 other beer and package configurations on the chopping block, as all the suppliers haven't yet been notified.

"We had a decline in beer volume in 2008 and we really needed to do something to invigorate the beer market here in New Brunswick," she said.

"Now we are two years later, the industry is changing, the beer category across Canada is in a bit of decline, so the timing for this rationalization project was appropriate."

In 2008, Dana Clendenning, the liquor corporation's former president and chief executive officer at the time, said the strategy was to keep people from heading across the border in pursuit of discount beer.

He told a legislative committee at the time that NB Liquor was losing about \$12 million in sales annually, primarily to Quebec.

Selection Lager and Selection Light were sold for \$19.99 for 12 cans, a price that undercut other brands in New Brunswick to guard against cross-border beer shopping.

Lacey said that cross-border sales are still a dilemma, but Selection was released to make a buzz in New Brunswick's beer market.

"We have a challenge when different liquor jurisdictions have different models of retail, such as allowing it to be sold in corner stores," Lacey said. "It was never a case of trying to launch it to compete.

"It was to stimulate the market and get people interested in domestic beer again."

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How was a bad, expensive beer ever meant to reduce cross border shopping or get people interested in beer? It does neither of these things

In reality it was a Liberal party subsidy for Moosehead, who were upset after another subsidy to Molson. Good riddence to it.

Now if they really want to help the market and reduce cross border shopping, they could lower the prices to something that's not completely ridiculous.

11 A THUMBS UP 0 THUMBS DOWN

FLAG AS INAPPROPRIATE

Chris Eaton, Fredericton on 10/06/11 06:56:12 AM ADT

iF you want to sell a beer product to keep sales in N.B and not cross border booze runs, Penny's a case, are they real, Whats a couple of pennies |Nothing!!, should have sold this stuff for 15 bucks a case. When it first came out they were offering a half pint whiskey free if you purchased the select beer brand and that and that alone is why they had good sales.

Moosehead and Bud brands always have pro mo's going on so you can alway's get a case of that for 19.99, The same price as the select beer.

THUMBS UP 0 6

THUMBS DOWN

citytec Fton, fredericton on 10/06/11 07:03:37 AM ADT

Let's hope this also means the end of cheesy cliched puns that seem to be used every time this subject is mentioned.

"...sales of the suds have fallen flat."

THUMBS UP 2

THUMBS DOWN

FLAG AS INAPPROPRIATE

Henry Henry, Fredericton on 10/06/11 07:47:07 AM ADT

never seen this coming!

THUMBS UP

THUMBS DOWN

FLAG AS INAPPROPRIATE

king smag, freddy on 10/06/11 07:50:00 AM ADT

I think the author means SKU (Stock Keeping Unit) instead of "skew".

THUMBS UP 2

THUMBS DOWN

FLAG AS INAPPROPRIATE

Another Beacher, Fredericton on 10/06/11 09:19:07 AM ADT

Swill. Good riddance!



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